



Patrick Terminals
Gate B105A Penrhyn Road
PORT BOTANY NSW 2036
AUSTRALIA
ABN 33 065 375 840

4 February 2022

Patrick Terminals – Final Notice of changes to Landside & Ancillary Charges in Melbourne: Effective from 7 March 2022

Patrick has completed a review of its Landside charge and other Ancillary Charges. The Landside charge partially recovers costs associated with providing Patrick's landside operations and is essential to enable Patrick to continue to provide our customers with superior and efficient landside service levels.

Patrick is currently embarking on a significant investment program with over \$150 million invested across the 2020 and 2021 financial years and a further \$70 million committed across the 2022 financial year (\$220 million in total), which will support continued efficient landside service levels.

The Landside charge recovers a portion of the costs that relate to:

- capital investments and commitments made to infrastructure that supports our landside operations.
- maintenance and operational costs associated with providing our landside operations and
- property and property related costs

Effective from 7 March 2022, the following Landside charges will apply on full containers that enter and leave Patrick's East Swanson Dock terminal. Patrick will continue to provide a concessional rate for export containers, recognising the continuing challenges faced by Australian exporters.

Import Containers

- East Swanson Dock \$155.40 per full container

Export Containers

- East Swanson Dock \$101.90 per full container

The Landside charge will be applied to all full container movements, both import and export, made at Patrick's East Swanson Dock Terminal.

In addition, Patrick has updated the VBS fee to \$35.40 nationally and adjusted its other Ancillary Charges. Details of the Landside and Ancillary charges are attached and have been published on Patrick's website (www.patrick.com.au)

Patrick supports the Victorian Voluntary Pricing Protocol and continues to follow the requirements related to fee changes. A summary of feedback themes received formally in writing from the Industry and Government via the email address provided and Patrick's response where relevant, post the initial announcement on 6 January 2022 is attached.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Michael Jovicic".

Michael Jovicic
Chief Executive Officer
Patrick Terminals

SUMMARY OF FEEDBACK THEMES

Feedback Themes	Patrick's Response
Rationale for increase in VBS Fees	The Vehicle Booking System (VBS) facilitates significant efficiencies and is highly valued by industry. Patrick continues to work with 1-Stop to focus on continuous improvement and innovation opportunities to further enhance the VBS and ensure the on-going support of this critical service to facilitate an efficient landside interface.
Rationale for increase in Stack Run Fees	This optional service provided by Patrick to manage empty containers on request supports the efficient working of the supply chain and delivers value to the overall container supply chain. Patrick's terminal team proactively coordinates with customers in order to provide this service.
Rationale for introducing a Mis-declaration fee - Vehicle and Trailer combination	This fee is only applicable where the vehicle / trailer combination dispatched for the pickup of the load does not match the vehicle / trailer combination recorded in the manifested booking. The transport carrier plays a vital role in ensuring that the booking is correct, so Patrick's operations and systems can co-ordinate a safe and efficient landside exchange.
ACCC Report - Key Observations	<p>In response to the suggestion that Patrick should not charge its landside customers for landside services provided, Patrick noted the below key observations by the ACCC in its 2021 Container Stevedoring Monitoring Report:</p> <p>The ACCC's recent observations are consistent with Patrick's feedback that market forces are the key drivers necessitating landside fee reviews including:</p> <ul style="list-style-type: none"> • greater competition between stevedores following entry of Hutchison and VICT • increases in land rents charged by port operators • capital investments made by stevedores in automation and large vessel handling capability • limitations on the ability of stevedores to reduce labour costs as a result of industrial relations <p>The ACCC acknowledges that 'given stevedores provide landside services to transport operators, it is efficient for stevedores to levy fees and charges on transport operators for those services, provided they are not excessive'. The ACCC also confirms that 'the level of profitability of stevedores over the past 5 years does not appear to be indicative of stevedores earning excessive returns'.</p> <p>Whilst landside costs represent a very small part of total supply chain costs, the ACCC highlights that there is full visibility of these landside costs available to cargo owners observing that 'cargo owners lack visibility on the extent to which shipping lines are passing on any savings in pass-through charges. In contrast, cargo owners can observe any changes in pass-through charges they pay to transport operators, as stevedores and empty container parks make those publicly available.'</p>

Supply Chain Cost Increases	It is important to highlight that overall stevedoring costs (landside and quayside) continue to remain a small part of total supply chain costs, representing only 4-6% of total supply chain costs. This has been validated by Synergies Economic Consulting for 2021.
Investment details in Melbourne	Patrick has made significant capital investment at East Swanson Dock, including more recently the delivery of two new ZPMC cranes, four new straddle carriers and an upgrade to the Terminal Operating System (TOS). In addition, Patrick has committed to developing a Logistics Park in the Port precinct to support the Government endorsed Port Rail Transformation Project.

SUMMARY OF PUBLIC TARIFF CHANGES – MELBOURNE (EAST SWANSON DOCK TERMINAL)

Charge Type	Unit	Current Charge	New Charge (Effective 7 March 2022)
Landside Charges			
Landside Charge - Import	Per full container	\$129.50	\$155.40
Landside Charge - Export	Per full container	\$84.90	\$101.90
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$29.50	\$35.40
Booking Fee - Telephone	Per container	\$36.50	\$43.80
Stack/Bulk Run Fee	Per container	\$7.50	\$12.50
No Show Fee	Per container	\$215.00	\$221.50
Terminal VBS Subscription Fee	Per user account	\$185.00	\$190.60
Terminal VBS Join/Rejoin Fee	Per user account	\$185.00	\$190.60
SMS Fee	Per message	\$1.00	\$1.05
R&D Processing Fee	Per container	\$79.15	\$81.55
Wrong Time Zone Fee	Per container	\$82.50	\$85.00
Side Loader Fee	Per trailer	\$62.50	\$64.40
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	-	\$250.00
Storage and Yard Ancillary Charges			
Storage Fee – Day 1 and 2	Per TEU per day	\$141.70	\$199.35
Storage Fee – Day 3	Per TEU per day	\$299.75	\$199.35
Yard Handling Fee	Per ISO container	\$144.45	\$148.80
Reefer Services	Per ISO container	\$140.00	\$144.25
CT Reefer Services	Per ISO container	-	\$72.13
Dangerous Goods	Per ISO container	\$267.75	\$275.85
Other			
Weight Amendment Fee for Import Containers	Per import container	\$230.00	\$236.95

NOTES

- 1) All rates are **exclusive** of Good and Services Tax (GST) which is payable in addition.
- 2) All transactions are subject to Patrick’s Standard Conditions of Contract which may be viewed on-line at the Patrick website at www.patrick.com.au Patrick’s Standard Conditions of Contract exclude Patrick’s liability in certain circumstances and include indemnities which benefit Patrick.
- 3) Rates, Terms and Conditions are subject to change with notice in accordance with Patrick’s Standard Conditions of Contract.